GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:325
ANSWERED ON:07.12.2007
ORGANIC FARMING
Botcha Lakshmi Smt. Jhansi

Will the Minister of FINANCE be pleased to state:

(a) whether the Government proposes to extend loans with concessional rate of interest to farmers who propose to undertake organic farming methods;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

Answer

THE MINSTER OF FINANCE (SHRI P. CHIDAMBARAM)

(a) to (c) : A Statement is laid on the Table of the Lok Sabha.

Statement referred to Parts (a) to (c) of Lok Sabha Starred Question No. 325 to be answered on 7th December 2007, regarding Organic Farming, tabled by Shrimati Botcha Jhansi Lakshmi.

(a) & (b) : To ensure that farmers receive Short Term Credit at 7% with an upper limit of Rs.3 lakh on the principal amount, Public Sector Banks, Regional Rural Banks(RRBs) and Cooperative Banks are being provided interest subvention of 2% per annum on their own involvement of funds. The Government is also providing interest subvention to NABARD for concessional refinance to RRBs and Cooperative Banks for the purpose. This scheme, since its introduction from Kharif 2006-07 is applicable for Organic Farming also.

(c) : Does not arise.